

IVS Computer Technology, Inc.

Warren Quattlebaum, CFO

1415 McDonald Way

Bakersfield, CA 93309

Office: (661) 831-3900

Fax: (661) 835-8619

SPIN: 143016802

Email: wwquattlebaum@ivsct.net

CC Docket No. 02-6

CC Docket No. 96-45

Request for Review

December 20, 2006

Re:	Applicant Name:	VINELAND SCHOOL DISTRICT
	Billed Entity Number:	143941
	Form 471 Application Number:	422411
	Funding Request Number:	1164676
	USAC Correspondence:	December 05, 2006
	Decision on Appeal:	Denied

The Funding Commitment Adjustment Report for Form 471 Application Number: 422411, Dated May 12, 2006 found that *"During the course of review it was determined that funding was provided for the following ineligible item: billing preparation."* Our appeal, which was received by USAC on June 19, 2006, showed that there was no billing irregularities and that all items were on the Eligible Services List for Funding year 2004. (Attached)

The Administrator's Decision on Appeal – Funding Year 2004-2005, Dated December 05, 2006 determined that the funding was provided for a program called **Read 180** which is an ineligible product. We agree that the program Read 180 is an ineligible product, however **we did not sell, nor do we sell the Read 180 product**. We disagree with the USAC's entire explanation on why our Appeal was denied for the following reasons:

1. We did not sell the Read 180 software on which the appeal was denied.
2. We provided Vineland School District with a Terminal Server (Which is on the Eligible Services List for Funding year 2004) so that students could start a terminal session on their old workstations. This terminal session gives the student a modern desktop interface using the old workstation hardware and operating system.
3. The primary reason schools want a Terminal Server is so the students can run modern software programs on an obsolete hardware platform.

4. The Read 180 program that Vineland is running will only run on a Windows XP platform, the students workstations are only capable of running Windows 98 but by using a terminal session, programs like Read 180, Microsoft Outlook and Internet Explorer, will run on their old computers.
5. The Terminal Server is being used as a Terminal Server 100% of the time the student's terminal sessions however are being used to run programs like Internet Explorer, e-mail applications and other programs. To run programs in a terminal session is the entire reason for a terminal server.

I find it hard to believe that the Universal Service Administrative Company can make a Funding Adjustment for one reason and then Deny an appeal based on a totally different reason without seeking an explanation from the aggrieved parties. Then to demand payment within 30 days when our company has been waiting for the SLD to pay us over a hundred thousand plus dollars, dating back to 2003 is absurd. We have had to curtail our e-rate business with schools, to their detriment, because we cannot afford to wait 12 to 36 months for payment. The appeals for this one case alone have cost our company over a thousand dollars in expenses.

Warren Quattlebaum CFO

IVS Computer Technology, Inc.

Attachments: Appeal to Notification of Commitment Adjustment Letter
Administrators Decision on Appeal

IVS Computer Technology, Inc.
Warren Quattlebaum, CFO
4600 American Ave
Suite 102
Bakersfield, CA 93309
Office: (661) 831-3900
Fax: (661) 835-8619
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APPEAL

RE:
Notification of Commitment Adjustment Letter Date: May 12, 2006
Funding Request Number: 1164676
SPIN: 143016802
Form 471 Application Number: 422411
Funding Year: 2004
FCC Registration Number:
Billed Entity Name: Vineland School District
Billed Entity Number: 143941

During the course of your review, it was determined that the funding was provided for the following ineligible item: billing preparation.

There was only one item that was billed for on Funding Request Number 1164676:

Quantity	Item Code	Description	Price Each	Amount
1	MIC AR-127-6	Microsoft Terminal Server	7745.00	7745.00

This server is on the Eligible Services List for Funding Year 2004.

There is no line item or charge to the Billed Entity or the SLD for "*billing preparation*".

IVS Computer Technology believes that we have not violated any rules and **appeals** that the commitment not be reduced.

Copies of the Funding Commitment Adjustment Report Form 471 Application Number: 422411, Funding Commitment Report, Our Invoice to the Billed Entity, Our Invoice to the SLD Form 474, Form 474 conformation page and the Form 474 have been included with our response.

IVS Computer Technology, Inc.



Warren Quattlebaum, CFO

Funding Commitment Adjustment Report
Form 471 Application Number: 422411

Funding Request Number:	1164676
Contract Number:	FSD-012304-3
Services Ordered:	INTERNAL CONNECTIONS
Billing Account Number:	
Original Funding Commitment:	\$6,970.50
Commitment Adjustment Amount:	\$5,576.40
Adjusted Funding Commitment:	\$1,394.10
Funds Disbursed to Date:	\$6,970.50
Funds to be Recovered from Service Provider:	\$5,576.40
Funding Commitment Adjustment Explanation:	

After a thorough review, it was determined that the funding commitment for this request must be reduced by \$5,576.40. During the course of review it was determined that funding was provided for the following ineligible item: billing preparation. The pre-discount cost associated with this item is \$6,196.00. At the applicant's 90 percent discount rate this resulted in an improper commitment of \$5,576.40. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, www.universalservice.org/sl/about/eligible-services-list.aspx for the Eligible Services List. On the SPAC Form, the authorized person certifies at Item 10 that the service provider has billed its customer for services deemed eligible for support. Therefore, SLD has determined that the service provider is responsible for this rule violation. Accordingly, the commitment has been reduced by \$5,576.40 and if the recovery of improperly disbursed funds is required the SLD will seek recovery from the service provider.

**PLEASE SEND A COPY OF THIS PAGE WITH YOUR
CHECK TO ENSURE TIMELY PROCESSING**

COMPLETED ONLINE

4/7/2005

FUNDING COMMITMENT REPORT

Service Provider Name: IVS Computer Technology
Service Provider Identification Number: 143016802

Funding Request Number: 1164676

Form 470 Application Number: 422411

Form 471 Application Number: 760040000479435

Name of 471 Applicant: VINELAND SCHOOL DISTRICT

Applicant Street Address: 14713 WEEDPATCH HWY

Applicant City: BAKERSFIELD

Applicant State: CA

Applicant Zip: 93307-9653

Entity Number: 143941

Name of Contact Person: Stephen Greenfield

Preferred Mode of Contact: EMAIL

Contact Information: stgreen@zeus.kern.org

Funding Year: 2004 (07/01/2004 - 06/30/2005)

Funding Status: Funded

Contract Number: FSD-012304-3

Services Ordered: Internal Connections

Site Identifier: 06 41130 06783

Billing Account Number: N/A

Allowable Vendor Selection/Contract Date: 01/06/2004

Contract Award Date: 01/19/2004

Service Start Date: 07/01/2004

Contract Expiration Date: 06/30/2005

Monthly Recurring Charges: \$0.00

Portion of Monthly Recurring Charges that is Ineligible: \$0.00

Eligible Monthly Pre-Discount Amount for Recurring Charges: \$0.00

Number of Months Recurring Service Provided in Funding Year: 12

Annual Pre-Discount Amount for Eligible Recurring Charges: \$0.00

Annual Non-Discount Amount for Eligible Recurring Charges: \$7745.00

Portion of Annual Non-Discount Amount that is Ineligible: \$0.00

Annual Pre-Discount Amount for Eligible Non-Discounting Charges: \$7745.00

Total Program Year Pre-Discount Amount: \$7745.00

Applicant's Approved Discount Percentage: 90

Funding Commitment Decision: \$6970.50 - FRN approved as submitted

Technology Plan Approval Status: Approved

Wave Number: 008

Applicant Letter Date: 07/20/2004

IVS Computer Technology

3839 Stockdale Highway
Bakersfield, CA 93309
(661) 831-3900

Invoice

Date	Invoice #
3/4/2005	03-7580

Bill To
VINELAND SCHOOL DISTRICT 14713 WEEDPATCH HWY BAKERSFIELD, CA 93307

Ship To
Vineland School District Stephen Greenfield 14713 Weedpatch HWY Bakersfield CA 93307-9114 PO 9408

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	Net 10		3/4/2005			
Quantity	Item Code	Description			Price Each	Amount
1	MIC AR-127-6	Microsoft Terminal Server			7,745.00	7,745.00
	E-Rate Discount	E-Rate Discount Amount			-90.00%	-6,970.50
		Application # 422411				
		FRN# 1164676				
					7.25%	0.00
					Total	\$774.50

**3839 Stockdale Highway
Bakersfield, CA 93309
(661) 831-3900**

Date	Invoice #
3/4/2005	03-7581

Bill To
SLD Form 474 P.O. Box 7026 Lawrence Kansas 66044-7026

Ship To
Vineland School District

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	Net 30		3/4/2005			
Quantity	Item Code	Description			Price Each	Amount
1	MIC AR-127-6 E-Rate Discount	Microsoft Terminal Server E-Rate Discount Amount Application# 422411 FRN# 1164676 CA Sales Tax			7,745.00 -10.00% 7.25%	7,745.00 -774.50 0.00
					Total	\$6,970.50



IMPORTANT

Please record this invoice's information in a secure place for future records

**InvoiceID: 540791
Security Code: 43546**

Continue>>

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Handwritten signature: "Paid"

FCC Form 474

Do not write in this space.

Approval by OMB
3060 - 0856

Universal Service for Schools and Libraries

Please read instructions before
completing.

This form can be filed online or by mail.

Estimated Average Burden Hours Per
Response: 1.5 hours
(To be completed by Service Providers)

SERVICE PROVIDER Invoice Form

Persons willfully making false statements on this form can be punished by fine or forfeiture, under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

NOTICE TO INDIVIDUALS: Section 69.619 of the Federal Communications Commission's rules requires the fund administrator to review bills for services and to determine the amount of universal service support to be disbursed to service providers. All service providers that have signed a contract or have tariffs in effect under which they provide discounted service to eligible schools and libraries who have received a Funding Commitment Decisions Letter from the fund administrator are required to submit this Service Provider Invoice Form to obtain universal service support for the amount of the discounts provided to eligible schools and libraries. This Service Provider Invoice Form informs the fund administrator of the amount of the discounts provided to eligible schools and libraries and for which the service provider seeks universal service support. The collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended, 47 U.S.C. § 254.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the personal information we request in this form. We will use the information you provide to determine whether approving this application is in the public interest. If we believe there may be a violation or potential violation of a FCC statute, regulation, rule or order, your application may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing or implementing the statute, rule, regulation or order. In certain cases, the information in your application may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government, is a party in a proceeding before the body or has an interest in the proceeding.

If you owe a past due debt to the federal government, the taxpayer identification number and other information you provide may also be disclosed to the Department of the Treasury Financial Management Service, other federal agencies and/or your employer to offset your salary, IRS tax refund or other payments to collect that debt. The FCC may also provide this information to these agencies through the matching of computer records when authorized.

If you do not provide the information requested on the form, your application may be returned without action or your application may be delayed.

The foregoing Notice is required by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 5 U.S.C. § 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501, et seq.

Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, D.C. 20554.

1. Service Provider Name (30 characters maximum)	IVS Computer Technology
2. Service Provider Identification Number (SPIN) (9 characters maximum)	143016802
3. Contact Name (30 characters maximum)	Regnald Lic-A-Tjam
4. Contact Telephone Number (14 digits maximum)	Area Code:661 Phone Number: 8313900 Ext.:
Contact Fax Number (10 digits maximum)	Area Code:661 Fax Number: 8358619
Contact E-Mail Address (100 characters maximum)	rlieatjam@ivsct.net
5. Invoice Number (25 characters maximum)	03-7581
6. Invoice Date to SLD (mmddyyyy)	03/07/2005
7. Total Invoice Amount (sum on Column (14) - 14.2 digits maximum)	6970.50

Page 1 of 2

FCC Form 474 - October 2001

SERVICE PROVIDER Invoice Form

8.	9.	10.	11.	12.	13.	14.
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FCC Form 471 Application Number (up to 10 digits) (from Funding Commitment Decisions Letter)	Funding Request Number (FRN) (up to 10 digits) (from Funding Commitment Decisions Letter)	Bill Frequency (e.g., Monthly, Quarterly, Annually, One-time, Other)	Customer Billed Date (mmyyyy)	Shipping Date to Customer or Last Day of Work Performed (mymddyyyy)	Total (Undiscounted) Amount for Service per FRN (14.2 digits max.)	Discount Amount Billed to SLD (14.2 digits max.)
			For each FRN, there should be an entry in Column (11) or Column (12) but NOT BOTH			
422411	1164676	ONE-TIME	03/01/2005		7745	6970.50

Form 474 Menu

Question/Problem

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Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2004-2005

December 05, 2006

Warren Quattlebaum
IVS Computer Technology, Inc.
4600 American Avenue
Suite 102
Bakersfield, CA 93309

Re: Applicant Name: VINELAND SCHOOL DISTRICT
Billed Entity Number: 143941
Form 471 Application Number: 422411
Funding Request Number(s): 1164676
Your Correspondence Received: June 19, 2006

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2004 Commitment Adjustment Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1164676
Decision on Appeal: **Denied**
Explanation:

- After a thorough review of the appeal and all relevant supporting documentation, it was determined that funding was provided for Read 180 which is an ineligible product. It was determined that the pre-discount cost associated with this ineligible item is \$6,196.00. At the applicant's 90% discount request, this resulted in an improper commitment of \$5,576.40. During the USAC Site visit, Cathy Flores stated that the server is used to run "programs like Microsoft Office and Read 180." With regards to Read 180, Teresa Gonzalez, a 6th Grade Teacher at Sunset Middle School added that they use this networked software program to assist students functioning under their grade level in reading comprehension. The Read 180 program includes group reading and listening, as well as computer-based skills development and assessment. Ms. Gonzalez stated that the program

records students' development and reading speed, and subsequently provides feedback to the teacher. It is determined by USAC that Read 180 is ineligible end user software. According to our records, during the COMAD investigation Adolph Worth was contacted and asked about the Read 180 product, specifically how much of the time the students use it. On March 10, 2006, Mr. Worth responded by stating that it is used 80% of the time by all students. FCC rules provide that funding may be approved only for eligible products and/or services. Accordingly, the commitment will still be rescinded for \$5,576.40 and the recovery of these improperly disbursed funds will be sought from the Service Provider. Consequently, the appeal is denied.

Your Form 471 application included costs for the following ineligible product: Read 180. FCC rules provide that funding may be approved only for eligible products (47 C.F.R. sections 54.502, 54.503). The USAC web site contains a list of eligible products/services. See the web site, <http://www.universalservice.org/sl/tools/eligible-services-list.aspx> for the Eligible Services List. It has not been determined through our review of your appeal that the amount of the request that we rescinded was for eligible items.

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

cc: Stephen Greenfield